

# Community Fix-up Fund Program Concept

## Program Goal

Assist communities in addressing specific home improvement needs by promoting partnerships between local lenders, nonprofit organizations, local governments and community organizations for the origination and purchase of qualifying Community Fix-up Fund loans.

## Eligible Program Applicants

Eligible applicants must be current Minnesota Housing Fix-up Fund lending partners that also deliver services such as budget counseling or rehabilitation advising, or that partner for services with nonprofit organizations, local governments, housing and redevelopment authorities, economic development authorities and port authorities.

## Program Features

Community Fix-up Fund offers the same flexible product features available in the Fix-Up Fund: longer repayment terms than traditional loans, liberal debt-to-income and loan-to-value ratios, no-cost alternatives to an appraisal, and fixed interest rates.

Community Fix-up Fund loans have a slightly lower interest rate than Fix-up Fund loans. Further, the Community Fix-up Fund has options for originating: (1) non-prime loans for borrowers with recently re-established credit; (2) "discount" loans that allow lending partners to leverage outside funds to write down the borrower's interest rate. The discounted rate improves affordability of the loan payment and provides an incentive for homeowners to join in community improvement goals.

## Program Requirements

The Community Fix-up Fund guiding principles for determining appropriate targeting are to:

1. Address specific community rehabilitation needs that cannot be effectively met under the statewide Fix-up Fund and
2. Provide value-added services or partner with non-profit or governmental organizations offering value-added services to address the needs.

Eligible targets include, but are not limited to:

- 1) Non-prime loans in conjunction with budget counseling and resolution of outstanding credit issues;
- 2) Leveraged funds in the form of discounted interest rates or matching funds;

- 3) Specific targeted community home improvement needs supported by outreach activities and/or technical services such as donated rehab advising, budget counseling, or translation service.

## **Eligible Borrowers Fees**

The following fees that are not eligible for financing in Fix-up Fund loans may be included in the Community Fix-up Fund loan financing:

- 1) Rehab advising fees up to a maximum of \$300; and
- 2) Budget counseling fees for non-prime borrowers.

## **Funds Available**

Rather than receiving a specific dollar amount set-aside for the designated community, approved lending partners access a pool of funds. Funds are available to the designated community for two years as long as there are funds in the pool and the lending partner remains in good standing as a Fix-up Fund lender. A selection committee comprised of Minnesota Housing staff will review the Community Fix-up Fund proposals. Those proposals that meet application requirements will be recommended for approval to the Agency's Board.

## **For more information**

- Consult the Fix-up Fund Program Procedural Manual:  
[http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa\\_002793.pdf](http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa_002793.pdf)
- For more specific Fix-up Fund Program information:
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[http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa\\_002980.pdf](http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa_002980.pdf) or call 1-800-710-8871 and request to be connected with the staff contact for your region.